IN THE UNITED STATES PATENT AND TRADEMARK OFFICE

In re application of

Art Unit: 2624

Kenneth L. Levy

Confirmation No.: 5863

Application No.: 09/960,228

Filed: September 20, 2001

VIA Electronic Filing

For: DIGITALLY WATERMARKING

PHYSICAL MEDIA

Examiner: D. Dang Date: June 8, 2007

STATEMENT RESPONDING TO REASONS FOR ALLOWANCE

Mail Stop ISSUE FEE COMMISSIONER FOR PATENTS P.O. Box 1450 Alexandria, VA 22313-1450

Sir:

This statement is filed pursuant to 37 C.F.R. 1.104(e) ("Reasons for Allowance"), and is responsive to the Examiner's statement of reasons for the indication of allowable subject matter in the Notice of Allowability dated January 24, 2006.

Applicant respectfully submits that the allowability of the claims does not hinge on isolated elements thereof. Rather, the claims are believed patentable because, when viewed as a whole, they define combinations that are neither anticipated by, nor obvious over, the prior art.

Respectfully submitted,

Date: June 8, 2007

DIGIMARC CORPORATION

CUSTOMER NUMBER 23735

Phone: 503-469-4800 FAX 503-469-4777

Steven W. Stewart Registration No. 45,133